

KEG RESTAURANTS LTD.

226 - 4664 Lougheed Highway
Burnaby, British Columbia
V5C 4A4

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Members of Keg Restaurants Ltd. (the "Company") for 1985 will be held at the Keg Prime Rib Restaurant at 19 Coal Harbour Wharf, 566 Cardero Street, Vancouver, British Columbia, on Friday, May 10, 1985 at 10:00 A.M., Vancouver time, for the following purposes:

1. To receive the report of the Directors to the Members;
2. To receive the Consolidated Financial Statements of the Company for the financial year ended December 31, 1984, and the Auditor's Report thereon;
3. To elect Directors for the ensuing year;
4. To appoint Auditors for the ensuing year and to authorize the Directors to fix the remuneration of the Auditors; and
5. To transact such other business as may be properly brought before the meeting.

DATED at Burnaby, British Columbia, April 15, 1985.

By order of the Board of Directors

Terry D. Thompson
Secretary

IF YOU ARE UNABLE TO ATTEND THE MEETING, WOULD YOU KINDLY COMPLETE, SIGN AND RETURN THE ENCLOSED INSTRUMENT OF PROXY TO THE NATIONAL VICTORIA AND GREY TRUST COMPANY, 666 BURRARD STREET, VANCOUVER, BRITISH COLUMBIA, V6C 2Z9. AN ENVELOPE IS ENCLOSED.

PROXIES TO BE USED AT THE ANNUAL GENERAL MEETING, OR ANY ADJOURNMENT THEREOF, MUST BE DELIVERED TO THE NATIONAL VICTORIA AND GREY TRUST COMPANY NOT LATER THAN 11:00 A.M., VANCOUVER TIME, ON THURSDAY, MAY 9, 1985.

PLEASE ADVISE THE COMPANY OF ANY CHANGE IN YOUR ADDRESS.



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KEG RESTAURANTS LTD.

INFORMATION CIRCULAR

MANAGEMENT SOLICITATION

This Information Circular is furnished in connection with the solicitation of proxies by the Management of Keg Restaurants Ltd. for use at the Annual General Meeting (the "Meeting") of the Company to be held on Friday, May 10, 1985 at 10:00 A.M., Vancouver time, at the Keg Prime Rib Restaurant at 19 Coal Harbour Wharf, 566 Cardero Street, Vancouver, British Columbia (and at any adjournments thereof). It is expected that the solicitation will be by mail. The cost of the solicitation will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXY

The persons named as proxyholders in the accompanying instrument of proxy are Directors of the Company. A MEMBER ENTITLED TO VOTE AT THE MEETING HAS THE RIGHT TO APPOINT A PERSON, WHO NEED NOT BE A MEMBER, TO ATTEND AND ACT FOR HIM ON HIS BEHALF AT THE MEETING OTHER THAN THE PERSONS DESIGNATED IN THE ACCOMPANYING INSTRUMENT OF PROXY. IF A MEMBER DOES NOT WANT TO APPOINT EITHER OF THOSE PERSONS DESIGNATED HE SHOULD STRIKE OUT THEIR NAMES AND INSERT IN THE BLANK SPACE PROVIDED THE NAME AND ADDRESS OF THE PERSON HE WISHES TO ACT AS HIS PROXY.

An instrument of proxy will not be valid unless it is dated and signed by the member who is giving it or by his attorney duly authorized by him in writing, or, in the case of a corporation, is dated and executed under its corporate seal or by any officer or officers of, or attorney for, the corporation duly authorized. If an instrument of proxy is executed by an attorney for an individual member or joint members or by an officer or officers or attorney for a corporate member not under its corporate seal, the instrument so empowering the officer or officers or attorney, as the case may be, or a notarial copy thereof, should accompany the instrument of proxy.

A member who has completed and delivered a proxy may revoke it by an instrument in writing executed by the member who has given it or, by his attorney authorized in writing or, where the member is a corporation, by a duly authorized officer, or attorney, of the corporation and delivering such instrument either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner provided by law.

VOTING OF SHARES REPRESENTED BY PROXY

The instrument of proxy accompanying this Information Circular confers discretionary authority upon the proxy or alternate proxy appointed by a member with respect to matters identified in the accompanying Notice of Annual General Meeting and instrument of proxy (and with respect to amendments and variations thereto and other matters which may properly come before the Meeting).

If the instructions to the nominee contained in the instrument of proxy are certain, the shares represented by such instrument of proxy will be voted on any poll and, with respect to any matter to be acted upon where the member specifies a choice, in accordance with the specification so made. IF NO SPECIFICATION IS MADE IN THE INSTRUMENT OF PROXY WITH RESPECT TO ANY MATTER SET OUT THEREIN THE SHARES REPRESENTED BY SUCH PROXY WILL BE VOTED IN FAVOUR OF THE ITEM FOR WHICH NO SPECIFICATION IS MADE.

SHARE CAPITAL AND PRINCIPAL HOLDERS THEREOF

The authorized share capital of the Company consists of 30,000,000 shares without par value divided into 15,000,000 Common Shares and 15,000,000 Class A Non-Voting Shares.

The holders of Class A Non-Voting Shares do not have the right to vote at meetings of members of the Company except in connection with certain matters specified by the Company Act, British Columbia, or provided in the Articles of the Company. These matters at present include: (i) the sale of all or substantially all the assets of the Company; (ii) the liquidation of the Company; (iii) the amalgamation of the Company; and (iv) any alteration of the capital of the Company which will interfere with the rights and restrictions attached to the Class A Non-Voting Shares.

The Class A Non-Voting Shares are convertible into fully paid and non-assessable Common Shares as the same shall be constituted at the time of such conversion, on the basis of one Common Share for each Class A Non-Voting Share in respect of which the conversion right is exercised, if an offer is made to purchase all or substantially all of the issued Common Shares, unless:

- (i) an offer on the same terms and conditions is made at the same time to purchase the Class A Non-Voting Shares;
- (ii) a notice is given by or on behalf of the holders of not less than 50% of the Common Shares at least seven days prior to the expiry of the offer stating that they will not accept the offer; or
- (iii) the Directors of the Company determine at least seven days prior to the expiry of the offer that the offer is not bona fide but is made for the purpose of causing the conversion right to come into effect.

At the date hereof the Company has outstanding 858,863 Common Shares without par value of which 126,035 shares are not eligible to be voted as they are held by the Company or a subsidiary. There are therefore 732,828 Common Shares entitled to be voted at the Meeting, each share carrying the right to one vote. The holders of Common Shares of record at the close of business on April 17, 1985 will be entitled to vote (in person or by proxy) at the Meeting. In addition, the Company has outstanding 7,102,653 Class A Non-Voting Shares. The Class A Non-Voting Shares do not carry the right to vote at the Meeting with respect to the matters set out in the accompanying Notice of Annual General Meeting.

The Directors and senior officers of the Company are not aware of any person or company who beneficially owns, directly or indirectly, shares in the

capital of the Company carrying more than 10% of the voting rights attached to all shares of the Company entitled to be voted at the Meeting other than Westward Recreational Developments Ltd., an associate of Mr. George M. Tidball, President and a Director of the Company, and Hy's of Canada Ltd., an associate of Mr. David Aisenstat, a Director of the Company. Westward Recreational Developments Ltd. is the owner of 216,882 Common Shares. In addition, Mr. Tidball is the owner of 4,013 Common Shares for a total of 220,895 Common Shares representing 30.14% of the shares entitled to be voted at the Meeting. Hy's of Canada Ltd. is the owner of 145,268 Common Shares representing 19.82% of the shares entitled to be voted at the Meeting.

ELECTION OF DIRECTORS

Management of the Company proposes to nominate each of the following persons for election as a Director to serve until the next Annual General Meeting of Members or until he sooner ceases to hold office. Each is presently a Director of the Company and is ordinarily resident in Canada.

<u>Name</u>	<u>Director Since</u>	<u>Principal Occupation</u>	<u>Common Shares Beneficially Owned</u>
George Murray Tidball	1972	President of the Company	4,013*
Harold Peter Capozzi	1972	Vice-President, Capozzi Enterprises Ltd. (a property management company)	12,262
David William Betts	1974	President, Betts Electric Ltd. (an electrical contracting company)	18,866
Maxwell Goldhar	1976	Chairman of the Board, Revenue Properties Company Limited (a real estate development company) and Chairman of the Board, Carlyle Energy Ltd. (an oil and gas company)	Nil
Winton Derby	1979	Partner Shrum, Liddle & Hebbenton (a law firm)	Nil**
Arthur Holmes Crockett	1982	Corporate Director and Business Consultant	Nil

David Aisenstat	1983	Director and Executive Vice-President, Hy's of Canada Ltd. (a restaurant company)	Nil***
James William Bradley Bond	1983	Senior Vice-President, Eastern Operations, of the Company	10,666

*Westward Recreational Developments Ltd., an associate of Mr. Tidball, owns 216,882 Common Shares.

**Mr. Derby is a beneficiary of a trust which owns 1,200 Common Shares.

***Hy's of Canada Ltd., an associate of Mr. Aisenstat, owns 145,268 Common Shares.

Advance notice of the Meeting inviting nominations for directors of the Company was published in The Vancouver Sun newspaper on March 13, 1985.

REMUNERATION OF MANAGEMENT AND OTHERS

The aggregate direct remuneration paid or payable by the Company and its subsidiaries, whose financial statements are consolidated with those of the Company, to the Directors and senior officers of the Company in the last completed financial year of the Company was \$1,222,874.

PARTICULARS OF INDEBTEDNESS TO COMPANY OF DIRECTORS AND SENIOR OFFICERS

During the last completed financial year of the Company Barrier Management Inc. ("Barrier"), an associate of Mr. J.W.B. Bond, Senior Vice-President, Eastern Operations and a Director of the Company was indebted to the Company in the amount of \$96,786. This amount was owing by Barrier in connection with its purchase of 25% of the outstanding shares of Eastern Steakhouse Ltd. As set out under "Interests of Management and Others in Material Transactions" the Company and Barrier reached agreement whereby the Company acquired shares of Eastern Steakhouse Ltd. from Barrier and a portion of the proceeds of that purchase were used to repay in full the indebtedness of Barrier to the Company. Eastern Steakhouse Ltd., while an associate of Mr. Bond, was indebted to the Company. The amount owing to the Company by Eastern Steakhouse Ltd. on December 31, 1984 was \$236,414, which amount was the largest amount owing since the beginning of the last completed financial year of the Company. This amount is owing by Eastern Steakhouse Ltd. in connection with an advance by the Company to Eastern Steakhouse Ltd. to enable Eastern Steakhouse Ltd. to purchase the shares of Keg'N Cleaver Restaurants of Ontario Ltd. and bears interest at bank prime plus two percent.

Westward Recreational Developments Ltd., ("Westward") an associate of Mr. George Tidball, President and a Director of the Company, was indebted to the

Company in the amount of \$188,483 as at December 31, 1984. This amount is owing by Westward in connection with advances, without interest, made from time to time since the beginning of the last completed financial year of the Company, and during prior financial years, in consideration of services and other benefits provided from time to time by Mr. Tidball. The largest amount owing to the Company by Westward since the beginning of the last completed financial year of the Company was \$374,959. As set out under "Interests of Management and Others in Material Transactions" the Company and Westward have reached agreement whereby the Company has subscribed for preference shares of Westward in satisfaction of \$239,000 of indebtedness of Westward to the Company.

L.B.B. Management Ltd., an associate of Mr. L. Bruce Benda, a Vice-President of the Company, was indebted to the Company in the amount of \$40,000 as at March 31, 1985. The largest amount owing to the Company by L.B.B. Management Ltd. since the beginning of the last completed financial year of the Company was \$42,000. This amount is owing by L.B.B. Management Ltd. in connection with an advance, without interest, to assist Mr. Benda to purchase a home for his own occupation.

Chiro Foods Limited, an associate of Mr. H.L. Goheen, formerly Senior Vice-President of the Company, was indebted to Controlled Foods Corporation Limited, a wholly owned subsidiary of the Company, in the amount of \$800,000, together with interest thereon at the rate of ten percent per annum, calculated annually, as at March 31, 1985 which amount is the largest amount owing since the beginning of the last completed financial year of the Company. This amount is owing by Chiro Foods Limited in connection with its purchase of all Controlled Foods Corporation Limited's interest in 19 A & W restaurant operations in the cities of St. Albert and Edmonton, Alberta (see "Interest of Management and Others in Material Transactions").

Roe Foods Ltd., a company controlled by Mr. Robert R. Roe, formerly Vice-President Finance and Administration, was indebted to Controlled Foods Corporation Limited in the amount of \$20,666.64, together with interest thereon at the rate of ten percent per annum, as at December 31, 1984, which amount is the largest amount owing by Roe Foods Ltd. since the beginning of the last completed financial year of the Company. This amount is owing by Roe Foods Ltd. in connection with its purchase from Controlled Foods Corporation Limited of two A & W restaurant operations in Maple Ridge and Chilliwack, British Columbia.

In addition to the foregoing, various companies which are associates of certain Directors and senior officers of the Company, and in which the Company is a shareholder, are indebted to the Company. In each case the indebtedness represents advances, without interest, made by the Company as a shareholder, to enable the respective company to meet its operating expenses. Particulars of this indebtedness are as follows:

<u>Company</u>	<u>Associate of</u>	<u>Indebtedness as at December 31, 1984</u>	<u>Largest Amount of Indebtedness since January 1, 1984</u>
Apex Alpine Recreations Ltd.	David W. Betts, Director and Harold P. Capozzi, Director	\$1,332,358	\$1,332,358
Goldengreen Management Ltd.	Harold P. Capozzi, Director	\$603,636	\$603,636
Keg Realty Ltd.	L. Bruce Benda, Vice-President	\$450,753	\$450,753
Nectar Holdings Ltd.	L. Bruce Benda, Vice-President	\$197,601	\$197,601

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Eastern Steakhouse Ltd.

During the last completed financial year of the Company the Company acquired shares of Eastern Steakhouse Ltd. owned by Barrier Management Inc., an associate of Mr. J.W.B. Bond, of 18 Castlefrank Crescent, Toronto, Ontario, Vice-President, Eastern Operations, and a Director of the Company, for a consideration of \$96,786 and 45,000 Class A Non-Voting Shares of the Company. Eastern Steakhouse Ltd. owns all of the issued and outstanding shares in Keg 'N Cleaver Restaurants of Ontario Ltd. which owns and operates Keg restaurants in Ontario and owns shares in various companies which own and operate Keg restaurants in Ontario, Quebec and Nova Scotia.

Wayne Holm Enterprises Ltd.

During the last completed financial year of the Company the Company agreed to acquire shares of Wayne Holm Enterprises Ltd., an associate of Mr. Wayne Holm, of 2159 West 21st Avenue, Vancouver, British Columbia, Senior Vice-President, Corporate Support Services, for a consideration of \$975 cash and 123,300 Class A Non-Voting Shares of the Company having an assigned value of \$524,025. Wayne Holm Enterprises Ltd. indirectly owns shares in various companies which own and operate Keg restaurants in British Columbia. The Company and Mr. Holm propose to enter into agreements whereby Mr. Holm, or a company controlled by him and Keg Restaurants U.S. Inc., a wholly owned subsidiary of the Company, form a partnership which will own and operate existing and future Keg restaurants in the States of Washington and Oregon in the United States, with a right of first refusal for the State of California. It is proposed that the Company or one of its subsidiaries will purchase the Class A Non-Voting Shares being acquired by Mr. Holm with Mr. Holm using the proceeds from such sale as partial payment for his interest in the new partnership.

Apex Alpine Property Development

The Company has entered into the following joint ventures:

- (1) a joint venture (the "Beaconsfield Joint Venture") with Betts Electric Ltd., an associate of Mr. D.W. Betts, of 919 May Street, R.R. 2, Summerland, British Columbia, a Director of the Company (which holds a 19.46% interest in the joint venture), Capozzi Enterprises Ltd., an associate of Mr. H.P. Capozzi, of 500 - 673 Market Hill, Vancouver, British Columbia, a Director of the Company (which holds a 3.72% interest) and an unrelated party (which holds a 33.26% interest), in which the Company holds a 43.56% interest; and
- (2) a joint venture (the "Big Bend Joint Venture") with Betts Holdings Ltd., an associate of Mr. Betts (which holds a 20% interest in the joint venture), L.B.B. Investments Ltd., an associate of Mr. L. Bruce Benda, of 580 Southborough Drive, West Vancouver, British Columbia, a Vice-President of the Company (which holds a 20% interest), and an unrelated party (which holds a 30% interest), in which the Company holds a 30% interest;

for the purpose of acquiring and developing property at the Apex Alpine ski resort near Penticton, British Columbia. In addition, Keg Realty Ltd. and Capozzi Enterprises Ltd., with equal interests, have established a joint venture (the "Clearview Joint Venture") also for the purpose of acquiring and developing property at the Apex Alpine ski resort. The Company owns 80% of the shares of Keg Realty Ltd.. L.B.B. Investments Ltd. owns the remaining 20% of the shares. The Company and L.B.B. Investments Ltd. own an equal number of voting shares.

The Company also owns 27.777% of the shares of Apex Alpine Recreations Ltd. which company owns and is developing the Apex Alpine ski resort. The remaining 72.223% of the shares of that company are owned, as to 16.669% by Betts Holdings Ltd., as to 27.777% by Capozzi Enterprises Ltd. and as to 27.777% by an unrelated person.

Pursuant to agreements between the shareholders of Apex Alpine Recreations Ltd., Capozzi Enterprises Ltd. has granted to each of the Company and the shareholder other than Betts Holdings Ltd. an option to purchase 8.08% of the shares of Apex Alpine Recreations Ltd. for \$274.30, Betts Holdings Ltd. has granted to each of the Company and the other shareholder an option to purchase 2.44% of the shares of Apex Alpine Recreations Ltd. for \$82.90, and any shareholder making additional advances to Apex Alpine Recreations Ltd. acquires an option to subscribe for and be issued additional shares in the company. If all such options were exercised (such options being calculated based on amounts of advances by shareholders most currently available) the Company would own 42.12% of the shares of Apex Alpine Recreations Ltd., Capozzi Enterprises Ltd. would own 8.33%, Betts Holdings Ltd. would own 11.42% and the other shareholder would own 38.12%.

By agreements dated October 31, 1984 the Beaconsfield Joint Venture, the Big Bend Joint Venture, the Clearview Joint Venture and Apex Alpine Recreations Ltd. formed a joint venture for the purpose of management of the various

properties and the marketing and selling of timeshare interests in such property. The Clearview Joint Venture has a 43.1973% interest in this joint venture the Beaconsfield Joint Venture has a 37.7551% interest and the Big Bend Joint Venture has a 19.047% interest.

Alberta A & W Restaurants

During the last completed financial year of the Company Controlled Foods Corporation Limited, a wholly owned subsidiary of the Company, sold to Chiro Foods Limited all of Controlled Foods Corporation Limited's interest in 19 A & W restaurant operations in the cities of St. Albert and Edmonton, Alberta for a purchase price of \$4,196,110. Chiro Foods Limited is an associate of Mr. Hilary L. Goheen, of 204 - 10171 - 119th Street, Edmonton, Alberta, formerly Senior Vice-President of the Company. Mr. Robert R. Roe, of 1630 Layton Drive, North Vancouver, British Columbia, formerly Vice-President, Finance and Administration of the Company, and Ms. Carole Edgar, of 204 - 10171 - 119th Street, Edmonton, Alberta, formerly Controller of the Company, also are beneficial owners of shares in Chiro Foods Limited. Messrs. Goheen, Edgar and Roe all resigned as officers of the Company prior to completion of this transaction.

Westward Recreational Developments Ltd.

During the last completed financial year of the Company the Company and Westward Recreational Developments Ltd., an associate of Mr. George Tidball, of 22757 - 72nd Avenue, R.R. 6, Langley, British Columbia, President and a Director of the Company, entered into an agreement pursuant to which the Company has subscribed for 2,390 preference shares in the capital of Westward, having an agreed value of \$239,000, in satisfaction of \$239,000 of the indebtedness of Westward to the Company.

APPOINTMENT OF AUDITORS

Unless otherwise instructed by a member, the persons named in the enclosed instrument of proxy will vote for the re-appointment of Thorne Riddell, Chartered Accountants, Vancouver, British Columbia, as auditors for the Company to hold office until the next Annual General Meeting of Members, and, as required by the Company Act (British Columbia) to authorize the Directors of the Company to fix their remuneration. As in the past, it is proposed that the remuneration to be paid to the auditors be fixed by negotiation between the Directors and auditors based upon the work performed in connection with the audit.

AMENDMENTS AND VARIATIONS

Management of the Company is not aware of any amendments or variations to the matters identified in the Notice of the Annual General Meeting or of any other matters which may come before the Meeting. However, the accompanying instrument of proxy confers discretionary authority upon the persons named therein to vote on any amendments or variations or other matters which properly come before the Meeting in accordance with their best judgment.

DATED April 15, 1985

KEG RESTAURANTS LTD.

400 - 6450 Roberts Street
Burnaby, British Columbia
V5G 4J8

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Members of Keg Restaurants Ltd. (the "Company") for 1984 will be held at the Burnaby Keg Restaurant at 2656 Eastbrook Parkway, Burnaby, British Columbia, on Wednesday, May 9, 1984 at 10:00 A.M., Vancouver time, for the following purposes:

1. To receive the report of the Directors to the Members;
2. To receive the Consolidated Financial Statements of the Company for the financial year ended December 31, 1983, and the Auditor's Report thereon;
3. To elect Directors for the ensuing year;
4. To appoint Auditors for the ensuing year and to authorize the Directors to fix the remuneration of the Auditors;
5. To consider and vote upon, with or without variation, a Special Resolution as set out in Schedule A to the Information Circular accompanying this Notice authorizing the Company to provide money for purposes of the Company's Employee Stock Purchase Plan; and
6. To transact such other business as may be properly brought before the meeting.

DATED at Vancouver, British Columbia, April 12, 1984.

By order of the Board of Directors

Terry D. Thompson
Secretary

IF YOU ARE UNABLE TO ATTEND THE MEETING, WOULD YOU KINDLY COMPLETE, SIGN AND RETURN THE ENCLOSED INSTRUMENT OF PROXY TO NATIONAL TRUST COMPANY, LIMITED 510 BURRARD STREET, VANCOUVER, BRITISH COLUMBIA, V6C 2J7. AN ENVELOPE IS ENCLOSED.

PROXIES TO BE USED AT THE ANNUAL GENERAL MEETING, OR ANY ADJOURNMENT THEREOF, MUST BE DELIVERED TO NATIONAL TRUST COMPANY, LIMITED NOT LATER THAN 11:00 A.M., VANCOUVER TIME, ON TUESDAY, MAY 8, 1984.

PLEASE ADVISE THE COMPANY OF ANY CHANGE IN YOUR ADDRESS.

KEG RESTAURANTS LTD.

INFORMATION CIRCULAR

MANAGEMENT SOLICITATION

This Information Circular is furnished in connection with the solicitation of proxies by the Management of Keg Restaurants Ltd. for use at the Annual General Meeting (the "Meeting") of the Company to be held on Wednesday, May 9, 1984 at 10:00 A.M., Vancouver time, at the Burnaby Keg Restaurant at 2656 Eastbrook Parkway, Burnaby, British Columbia (and at any adjournments thereof). It is expected that the solicitation will be by mail. The cost of the solicitation will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXY

The persons named as proxyholders in the accompanying instrument of proxy are Directors of the Company. A MEMBER ENTITLED TO VOTE AT THE MEETING HAS THE RIGHT TO APPOINT A PERSON, WHO NEED NOT BE A MEMBER, TO ATTEND AND ACT FOR HIM ON HIS BEHALF AT THE MEETING OTHER THAN THE PERSONS DESIGNATED IN THE ACCOMPANYING INSTRUMENT OF PROXY. IF A MEMBER DOES NOT WANT TO APPOINT EITHER OF THOSE PERSONS DESIGNATED HE SHOULD STRIKE OUT THEIR NAMES AND INSERT IN THE BLANK SPACE PROVIDED THE NAME AND ADDRESS OF THE PERSON HE WISHES TO ACT AS HIS PROXY.

An instrument of proxy will not be valid unless it is dated and signed by the member who is giving it or by his attorney duly authorized by him in writing, or, in the case of a corporation, is dated and executed under its corporate seal or by any officer or officers of, or attorney for, the corporation duly authorized. If an instrument of proxy is executed by an attorney for an individual member or joint members or by an officer or officers or attorney for a corporate member not under its corporate seal, the instrument so empowering the officer or officers or attorney, as the case may be, or a notarial copy thereof, should accompany the instrument of proxy.

A member who has completed and delivered a proxy may revoke it by an instrument in writing executed by the member who has given it or, by his attorney authorized in writing or, where the member is a corporation, by a duly authorized officer, or attorney, of the corporation and delivering such instrument either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner provided by law.

VOTING OF SHARES REPRESENTED BY PROXY

The instrument of proxy accompanying this Information Circular confers discretionary authority upon the proxy or alternate proxy appointed by a member with respect to matters identified in the accompanying Notice of Annual General Meeting and instrument of proxy (and with respect to amendments and variations thereto and other matters which may properly come before the Meeting).

If the instructions to the nominee contained in the instrument of proxy are certain, the shares represented by such instrument of proxy will be voted on any poll and, with respect to any matter to be acted upon where the member specifies a choice, in accordance with the specification so made. IF NO SPECIFICATION IS MADE IN THE INSTRUMENT OF PROXY WITH RESPECT TO ANY MATTER SET OUT THEREIN THE SHARES REPRESENTED BY SUCH PROXY WILL BE VOTED IN FAVOUR OF THE ITEM FOR WHICH NO SPECIFICATION IS MADE.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

At the date hereof the Company has outstanding 859,065 Common Shares without par value of which 125,936 shares are not eligible to be voted as they are held by the Company or a subsidiary. There are therefore 733,129 Common Shares entitled to be voted at the Meeting, each share carrying the right to one vote. The holders of Common Shares of record at the close of business on May 4, 1984 will be entitled to vote (in person or by proxy) at the Meeting. In addition, the Company has outstanding 6,784,989 Class A Non-Voting Shares. The Class A Non-Voting Shares do not carry the right to vote at the Meeting with respect to the matters set out in the accompanying Notice of Annual General Meeting.

The Directors and senior officers of the Company are not aware of any person or company who beneficially owns, directly or indirectly, shares in the capital of the Company carrying more than 10% of the voting rights attached to all shares of the Company entitled to be voted at the Meeting other than Westward Recreational Developments Ltd., an associate of Mr. George M. Tidball, President and a Director of the Company, and Hy's of Canada Ltd., an associate of Mr. David Aisenstat, a Director of the Company. Westward Recreational Developments Ltd. is the owner of 241,048 Common Shares. In addition, Mr. Tidball is the owner of 4,013 Common Shares for a total of 245,061 Common Shares representing 33.43% of the shares entitled to be voted at the Meeting. Hy's of Canada Ltd. is the owner of 108,016 Common Shares representing 14.73% of the shares entitled to be voted at the Meeting.

ELECTION OF DIRECTORS

Management of the Company proposes to nominate each of the following persons for election as a Director to serve until the next Annual General Meeting of Members or until he sooner ceases to hold office. Each is presently a Director of the Company and is ordinarily resident in Canada.

<u>Name</u>	<u>Director Since</u>	<u>Principal Occupation</u>	<u>Common Shares Beneficially Owned</u>
George Murray Tidball	1972	President of the Company	4,013*
Harold Peter Capozzi	1972	Vice-President, Capozzi Enterprises Ltd. (a property management company)	12,596

<u>Name and Office</u>	<u>Director Since</u>	<u>Principal Occupation</u>	<u>Common Shares Beneficially Owned</u>
David William Betts	1974	President, Betts Electric Ltd. (an electrical contracting company)	1,866
Maxwell Goldhar	1976	Chairman of the Board, Revenue Properties Company Limited (a real estate development company) and Chairman of the Board, Carlyle Energy Ltd. (an oil and gas company)	Nil
Winton Derby	1979	Partner Shrum, Liddle & Hebenton (a law firm)	Nil
John Boyd Matchett	1981	Vice-Chairman and Chief Executive Officer, Cara Operations Limited (a food services company)	Nil
Arthur Holmes Crockett	1982	Corporate Director and Business Consultant	Nil
David Aisenstat	1983	Director and Executive Vice-President, Hy's of Canada Ltd. (a restaurant company)	Nil **
James William Bradley Bond	1983	Vice-President, Eastern Operations, of the Company	14,333

*Westward Recreational Developments Ltd., an associate of Mr. Tidball, owns 241,048 Common Shares.

**Hy's of Canada Ltd., an associate of Mr. Aisenstat, owns 108,016 Common Shares.

During the preceding five years Mr. Bond has been employed by the Company in various capacities.

Advance notice of the Meeting inviting nominations for directors of the Company was published in The Vancouver Sun newspaper on March 12, 1984.

REMUNERATION OF MANAGEMENT AND OTHERS

The aggregate direct remuneration paid or payable by the Company and its subsidiaries, whose financial statements are consolidated with those of the Company, to the Directors and senior officers of the Company in the last completed financial year of the Company was \$984,939.

Since the beginning of its last completed financial year the Company has authorized the issue of a total of 205,000 Common Shares and 35,000 Class A Non-Voting Shares to eight senior officers of the Company, all pursuant to the Company's Employee Stock Purchase Plan. A further 15,000 Class A Non-Voting Shares have been authorized for issue to certain senior officers at a price of \$3.74 per share, subject to the shareholders passing the Special Resolution set out in Schedule "A". Further details of the Plan are contained in this Information Circular under "Employee Stock Purchase Plan." Particulars of issue of such shares are as follows:

Date of Authorization	Number and Class of Shares	Issue Price per Share	Price Range 30 Days Before Authorization
July 7, 1983	205,000 Common *	\$3.74	\$4.05 - \$4.90
September 28, 1983	35,000 Class A Non-Voting	\$3.74	\$4.20 - \$5.50

* All of the 205,000 Common Shares were converted into Class A Non-Voting Shares immediately after issue.

PARTICULARS OF INDEBTEDNESS TO COMPANY OF DIRECTORS AND SENIOR OFFICERS

Barrier Management Inc., an associate of Mr. J.W.B. Bond, Vice-President, Eastern Operations and a Director of the Company was indebted to the Company in the amount of \$96,786 at March 31, 1984 which amount is the largest amount owing to the Company by Barrier since the beginning of the last completed financial year of the Company. This amount remains owing by Barrier in connection with its purchase of 25% of the outstanding shares of Eastern Steakhouse Ltd. The indebtedness is repayable on April 30, 1985, without interest, however as set out under "Interests of Management and Others in Material Transactions" the Company and Barrier have reached agreement whereby the Company shall acquire shares of Eastern Steakhouse Ltd. from Barrier and the proceeds of that purchase shall be used to repay the indebtedness of Barrier to the Company. In addition, Eastern Steakhouse Ltd. was indebted to the Company in the amount of \$136,964 at March 31, 1984 which amount is the largest amount owing to the Company by Eastern since the beginning of the last completed financial year of the Company. The indebtedness represents an advance by the Company to Eastern to enable Eastern to purchase the shares of Keg 'N Cleaver Restaurants of Ontario Ltd. The indebtedness bears interest at bank prime plus two percent.

Westward Recreational Developments Ltd., an associate of Mr. George M. Tidball, President and a Director of the Company, was indebted to the Company

in the amount of \$357,451 as at March 31, 1984. The largest amount owing to the Company by Westward since the beginning of the last completed financial year of the Company was \$427,656. The indebtedness of Westward represents advances, without interest, made from time to time since the beginning of the last completed financial year of the Company, and during prior financial years, in consideration of services and other benefits provided from time to time by Mr. Tidball.

LBB Management Ltd., an associate of Mr. L. Bruce Benda, a Vice-President of the Company, was indebted to the Company in the amount of \$42,000 as at March 31, 1984. The largest amount owing to the Company by LBB Management Ltd. since the beginning of the last completed financial year of the Company was \$44,000. The indebtedness represents an advance, without interest, to assist Mr. Benda to purchase a home for his own occupation.

In addition to the foregoing, various companies which are associates of certain Directors and senior officers of the Company, and in which the Company is a shareholder, are indebted to the Company. In each case the indebtedness represents advances, without interest, made by the Company as a shareholder, to enable the respective company to meet its operating expenses. Particulars of this indebtedness are as follows:

<u>Company</u>	<u>Associate of</u>	<u>Indebtedness at March 31, 1984</u>	<u>Largest Amount of Indebtedness Since January 1, 1983</u>
Apex Alpine Recreations Ltd.	David W. Betts, Director	\$1,049,878	\$1,049,878
Goldengreen Management Ltd.	Harold P. Capozzi, Director	\$ 469,958	\$ 469,958
Keg Realty Ltd.	L. Bruce Benda, Vice-President	\$ 417,067	\$ 416,067
Nectar Holdings Ltd.	L. Bruce Benda, Vice-President	\$ 166,951	\$ 166,951

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Company has agreed to acquire shares of Eastern Steakhouse Ltd. owned by Barrier Management Inc., an associate of Mr. J.W.B. Bond of 18 Castlefrank Crescent, Toronto, Ontario, Vice-President, Eastern Operations, and a Director of the Company, for a consideration of \$96,786 and 45,000 Class A Non-Voting Shares of the Company. Barrier shall retain 15% of the voting shares of Eastern Steakhouse Ltd. The Company presently holds a 65% equity interest in Eastern Steakhouse Ltd. but holds 50% of the voting shares. This transaction is expected to be completed shortly but will have an effective date of January 3, 1984. Eastern Steakhouse Ltd. owns shares, directly and indirectly, in various companies which own and operate restaurants in Ontario, Quebec and Nova Scotia.

EMPLOYEE STOCK PURCHASE PLAN

The Special Resolution set out in Schedule A to this Information Circular, if approved, will replace the Special Resolution previously passed by the members of the Company in respect of the Company's Employee Stock Purchase Plan (the "Plan") and will delete the maximum amount of money which the Directors of the Company are authorized to provide for the purposes of the Plan. In May, 1974 the Directors of the Company established the Plan under which the Company may advance money to a trustee to enable the trustee to purchase shares for registration in the names of employees of the Company designated by the Directors. The employees pledge the shares to the trustee and the shares are released upon payment by the employees of the purchase price for their shares. Pursuant to the terms of the Plan, employees are required to re-pay such advances in five consecutive equal annual instalments, without interest. The first payment is due on the first anniversary of the issue of shares to the employee and thereafter on the anniversary date.

The amount of money authorized for purposes of the Plan has been increased from time to time by Special Resolutions and at the Extraordinary General Meeting of the Company held on July 28, 1983, the members passed a Special Resolution increasing the maximum amount of money which the Directors of the Company are authorized to provide for such purposes to \$1,150,000.

Management of the Company continues to believe that it is in the best interests of the Company to encourage employees of the Company to become shareholders. In order to enable the Company to continue to be able to provide such benefits to its employees, management wishes to delete the maximum amount of money which the Directors of the Company are authorized to provide for the purposes of the Plan, leaving the amount of money which the Directors of the Company are authorized to provide for the purposes of the Plan to the discretion of the Directors.

Deletion of the maximum amount of money which the Directors of the Company are authorized to provide for the purposes of the Plan will permit greater flexibility in administering the Plan. The authorized maximum amount of money has had to be increased on several occasions, and in some instances issuance of shares has been delayed pending such increases. Further, maximum amounts established from time to time become outdated by increases in the trading prices of the Company's shares.

The issuance of shares pursuant to the Plan continues to be subject to the approval of applicable regulatory authorities. Pursuant to the rules and policies of The Toronto Stock Exchange presently in force the aggregate number of securities which may be issued or reserved for issuance under the Plan cannot exceed ten percent of the issued and outstanding securities of the Company, and the aggregate number of securities which may be issued or reserved for issuance to any one person may not exceed five percent of the issued and outstanding securities of the Company.

APPOINTMENT OF AUDITORS

Unless otherwise instructed by a member, the persons named in the enclosed instrument of proxy will vote for the re-appointment of Thorne Riddell,

Chartered Accountants, Vancouver, British Columbia, as auditors for the Company to hold office until the next Annual General Meeting of Members, and, as required by the Company Act (British Columbia) to authorize the Directors of the Company to fix their remuneration. As in the past, it is proposed that the remuneration to be paid to the auditors be fixed by negotiation between the Directors and auditors based upon the work performed in connection with the audit. Thorne Riddell were first appointed auditors of the Company on April 30, 1979.

AMENDMENTS AND VARIATIONS

Management of the Company is not aware of any amendments or variations to the matters identified in the Notice of the Annual General Meeting or of any other matters which may come before the Meeting. However, the accompanying instrument of proxy confers discretionary authority upon the persons named therein to vote on any amendments or variations or other matters which properly come before the Meeting in accordance with their best judgment.

DATED April 12, 1984.

SCHEDULE A

TO INFORMATION CIRCULAR OF KEG RESTAURANTS LTD.

DATED APRIL 12, 1984

Text of Special Resolution Regarding Stock Purchase Plan

RESOLVED as a Special Resolution that:

1. The Special Resolution passed at the Extraordinary General Meeting of the Company held July 28, 1983 and set out in Item B in Schedule A to the Information Circular of the Company dated June 30, 1983, be abrogated and replaced by this Special Resolution; and
2. Subject to the approval of applicable regulatory authorities, the Company may:
 - (a) provide money, in accordance with the Stock Purchase Plan of the Company presently in force, as supplemented, amended or replaced from time to time, for the subscription for or the purchase of Common Shares or Class A Non-Voting Shares of the Company by a trustee to be held by or for the benefit of bona fide employees of the Company or of an affiliate of the Company; and
 - (b) provide financial assistance to bona fide employees of the Company or of an affiliate of the Company to enable them to purchase or subscribe for Common Shares or Class A Non-Voting Shares of the Company to be held beneficially by them;

and the Directors of the Company be and are hereby authorized for and on behalf of the Company to provide money for such purposes to a trustee to the Stock Purchase Plan of the Company, or to provide financial assistance for such purposes to bona fide employees of the Company or of an affiliate of the Company, in such amounts and at such times and upon such terms and conditions as the Directors may in their sole discretion determine, and any money so provided by the Company and repaid to the Company may be provided again in like manner as if it had never been so provided.

